

Message Text

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PAGE 01 STATE 028749

21

ORIGIN OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 OC-05 CCO-00 ABF-01 XMB-04

COME-00 TRSE-00 AID-05 OMB-01 CIAE-00 INR-07 NSAE-00

/047 R

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NEA/PAB:MGJONES (INFO)

----- 075736

R 052340Z FEB 76
FM SECSTATE WASHDC
TO AMEMBASSY ISLAMABAD
AMCONSUL KARACHI

UNCLAS STATE 028749

E.O. 11652:N/A

TAGS: EFIN

SUBJECT: OPIC LOCAL CURRENCY LOANS - DISBURSEMENT AND
REPAYMENT

REF: ISLAMABAD 0426

1. OPIC HAS CONTACTED LEGAL COUNSEL OF BOTH COMPANIES AND
REVIEWED REQUIREMENTS WHICH ARE NECESSARY BEFORE DISBURSE-
MENT OF LOANS CAN TAKE PLACE. EXPECT RAFHAN MAIZE LOAN
AGREEMENT TO BE SIGNED WITHIN THREE WEEKS AND WILL ADVISE
EMBASSY IMMEDIATELY THEREAFTER. EXPECT THAT BOTH COMPANIES
WILL HAVE MET CONDITIONS NECESSARY FOR DISBURSEMENT WITHIN
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PAGE 02 STATE 028749

30 DAYS.

2. IN ORDER TO EXPEDITE ABOVE PROCEDURE, LOCAL COMPANIES MAY WISH TO FORWARD CERTAIN DOCUMENTATION THROUGH OFFICIAL POUCH. IF POSSIBLE, WOULD APPRECIATE EMBASSY AND/OR COUNSUL ACCOMMODATE THIS ARRANGEMENT AND ENSURE MATERIAL IS MARKED "PASS OPIC, ATTENTION L. LUCERO." WHEN COMPANIES HAVE SATISFIED CONDITIONS FOR DISBURSEMENT, OPIC WILL NOTIFY EMBASSY AND USDO WITH INSTRUCTIONS FOR DELIVERY OF CHECKS. ASSUME THAT FUNDS AND CHECK WILL BE ISSUED FROM USDO'S ACCOUNTS (OPIC'S ACCOUNT NO. 71FT760). ONE OR BOTH COMPANIES MAY REQUEST PARTIAL DISBURSEMENT, BUT WE INTEND TO DISCOURAGE THIS IF AT ALL POSSIBLE.

3. UNDER THE LOAN AGREEMENT, OPIC IS TO NOTIFY THE COMPANY IN WRITING AS TO THE DESIGNATION OF AN AGENT BANK, THE PROCEDURE RELATING TO ADVANCES TO BE MADE TO THE COMPANY, AND THE PROCEDURE RELATING TO REPAYMENT BY THE COMPANY OF THE LOAN. OPIC WOULD THUS APPRECIATE EMBASSY ADVICE WITH REGARD TO PROCEDURE IN MAKING ADVANCES TO THE COMPANY ASSUMING THAT MORE THAN ONE ADVANCE WILL BE MADE. WILL ADVANCE BE MADE BY EMBASSY FROM USDO/OPIC ACCOUNT? OPIC WOULD APPRECIATE ADVICE AS TO SPECIFICS OF PROCEDURES TO BE FOLLOWED SO THAT OPIC CAN NOTIFY THE COMPANY OF SAME.

4. WITH RESPECT TO REPAYMENT AND COLLECTION OF THESE LOANS, ASSUME THAT SAME PROCEDURE AS USED FOR EXISTING COOLEY LOANS WILL BE FOLLOWED. THAT IS, THE "AGENT BANK" IS RESPONSIBLE FOR TIMELY COLLECTION OF AMOUNTS DUE (FOR WHICH THEY OBTAIN SMALL FEE) AND FORWARDING TO USDO AND/OR USDO ACCOUNT. USDO THEN NOTIFIES AID, C/ACC/ILB OF AMOUNT COLLECTED. PLEASE ADVISE IF FOREGOING PROCEDURES ARE IN ACCORDANCE WITH YOUR UNDERSTANDING AND PRACTICE.

5. OPIC UNDERSTANDS WITH REGARD TO THE DESIGNATION OF AN AGENT BANK THAT ONE OF THE THREE U.S. BANKS IN PAKISTAN (AMERICAN EXPRESS, FNCB OR BANK OF AMERICA) WILL BE DESIGNATED AS SUCH. OPIC HAS NO PREFERENCE AS TO WHICH BANK(S) ARE DESIGNATED AGENT BANK(S), BUT BANK SHOULD BE ONE OF THE THREE U.S. BANKS AND DESIGNATION OF AGENT BANK(S) SPLIT BETWEEN THESE TO AVOID ANY CHARGE OF FAVORITISM.

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PAGE 03 STATE 028749

6. FYI AND RECORDS: PREMIER TOBACCO LOAN WILL BE NUMBERED 391-E-167 AND RAFHAN MAIZE 391-E-168. KISSINGER

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